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LOCAL COTTON INFORMATION CAMPAIGN, STORY NO. 1.

COTTON SITUATION
STUDY PLANNED IN
LOCAL MEETINGS

An opportunity for exchange of opinion and consideration of facts on how the cotton adjustment program has worked out, and a study of the outlook for cotton during the next season will be given cotton producers of _____ county in a series of meetings within the next few weeks.

_____, chairman of the county cotton committee, and _____, county agent, believe cotton producers will be interested in studying such facts at this time while the details of the 1935 cotton adjustment program are being considered.

The meetings throughout the county, to which all cotton producers are invited, are sponsored by the county cotton committee. County and community committeemen will act as leaders of discussion in presenting facts on the cotton outlook at each meeting.

Subjects for the first series of meetings are the adjustment program, beginning with conditions as they existed before the plow-up program and continuing through this year, and the processing tax, or "farmer's tariff," which finances the cotton adjustment program.

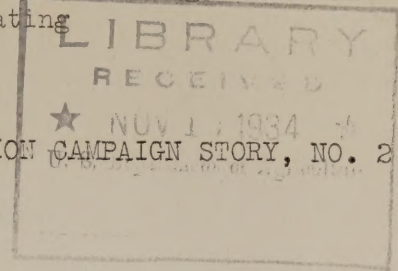
The reasons for the adjustment program and the principles of the processing tax will be discussed. The county chairman believes that many farmers who are familiar with the details of the adjustment contracts and payments have not yet become familiar with the fundamental principles upon which the program is founded.

Cotton committeemen who will act as leaders of the meetings will meet the county agent at _____ (Time) at _____ (Place) to study the information they are to present at the discussion meetings. The schedule for the first series of meetings with producers will be made at that time and will be announced later.

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LOCAL COTTON INFORMATION CAMPAIGN STORY, NO. 2

COMMITTEEMEN TO
PRESENT FACTS ON
COTTON ADJUSTMENT

A series of _____ meetings of cotton producers in _____ county
(number)
will be held _____, when cotton committeemen acting as chair-
(day or dates)
men of the meetings will present facts on what the cotton adjustment program has
accomplished and how the processing tax makes this program possible.

The schedule for the meetings, which will be followed by a second series for
producers on _____, was drawn up by cotton committeemen who met with
(dates)
County Agent _____ at _____ on _____. The com-
(place) (day)
mitteemen and the county agent also made a study of the facts to be presented for
discussion by producers at the first series of meetings. The committeemen will
meet with the county agent again _____.
(date)

The committeemen found that whereas cotton producers in 1932 got a total
income of only \$483,912,000 for producing a crop of 13,000,000 bales before the
adjustment program was put into effect, their income this year will total . . .
\$876,478,000 from a crop of 9,443,000 bales, because prices are better and adjust-
ment payments are included.

Rental payments have made it possible for the individual farmer to profit
individually by staying with an adjustment program which also has been profitable
for all producers, the committeemen agreed after their study of the program.

The Bankhead act was supplementary to the adjustment program, it was pointed
out, making it more certain that the desired adjustment in total national produc-
tion would be made in 1934 and thus contributing to the increased income of cotton
producers this year.

(more)

The price increase, the committeemen found, was from 6.5 cents in the 1932-33 season the year before the programs went into effect, to 9.7 cents in the 1933-34 season the year of the plow-up program, and to 12.5 cents on October 15 this year.

It is the processing tax which makes possible the adjustment payments, the cotton committeemen's study revealed. This tax is paid by consumers as a part of the price of cotton products they buy, and amounts to an average of 8 cents on a sheet, $3\frac{1}{2}$ cents on a shirt, $8\frac{1}{4}$ cents on overalls and one cent on a yard of muslin. The cotton processing tax is 4.2 cents per pound of raw lint.

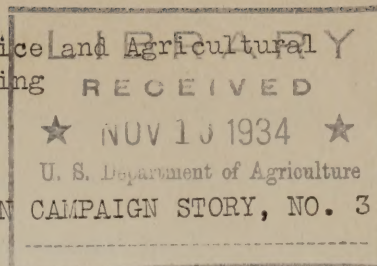
Since this processing tax is levied on the basis of the difference between the fair exchange value of cotton for the products that cotton farmers buy, and the actual market price of cotton, it puts no undue burden on consumers, the committeemen concluded. In fact, they believe, it is a kind of "farmer's tariff," in this respect, since it gives the farmer, who buys in a protected market, a chance to sell in a protected market.

These and other facts on the adjustment program and the processing tax which supports it, will be analyzed by the committeemen in discussions with producers in the first series of meetings, _____. The schedule for these meetings is given below. The second series will follow at the same places named on _____.
(date)

(AGENT: ATTACH SHEET GIVING MEETING SCHEDULE)

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PLAN FOR SECOND
COTTON SITUATION
MEETING SERIES

Cotton producers of _____ county, who have already discussed and studied what the cotton adjustment program has accomplished and how the processing tax works to finance it, will meet in a second series of meetings under the leadership of cotton committeemen on _____ (date).

The second meetings will take up foreign cotton production and markets abroad, and America's cotton production problem for 1935. Reports to Chairman _____ of the county cotton committee and County Agent _____ showing that _____ (number) producers attended the _____ (number) meetings of the first series on _____ (date), indicating the interest of producers in this information.

The schedule for the second series of meetings, to which all cotton producers are invited, is given below. Cotton committeemen met with the county agent _____ (date) to study the foreign and American production and market situation in preparation for the second meetings of producers.

The committeemen were particularly interested in facts and figures showing how American cotton stands in comparison with foreign cotton in world markets, where 60 per cent of the American crop is sold.

Crop report figures showed that there were 10,600,000 bales of American cotton left over on August 1 this year as "carryover." This is a million bales less than last year and $2\frac{1}{2}$ million bales less than the year before that, when, before the adjustment program, the carryover reached 13 million bales, the record. This year's carryover is still the third largest recorded.

Adding this year's new crop of 9,400,000 bales to the carryover figure shows a total supply of 20,000,000 bales of American cotton available to supply foreign customers and the United States demand until the 1935 crop comes in.

Since this supply is about the average for the last 14 years, the committeemen concluded that America will not lose its place in world cotton markets because of any lack of cotton to sell. The total supply, however, is smaller than the 24.8 million bales left after the plow-up and the 26 million bales for each of the two years before the plow-up. In other words, the committeemen felt, the adjustment program has only brought American cotton supplies down to average and prevented piling ~~unwanted~~ cotton on top of average supplies.

Comparing past supplies of American cotton and American prices with foreign cotton acreages, year by year, the committeemen found that big supplies of American cotton and low prices have not always kept foreign growers from increasing their acreage. In fact, the foreign producers increased acreage rather steadily while American cotton supplies were biggest. Their increase in 1933 was planned or planned before the plow-up program was contemplated, and they seem to have increased only a little this year over last.

It may be other things than price which induce foreign buyers to buy foreign cotton rather than American. One such thing is the United States tariff against foreign goods which keeps other nations from selling their goods here to get our dollars to buy cotton with. Some nations are making trade agreements among themselves to get around similar trade barriers.

If American producers decide to compete with foreign growers for a larger share of world markets, in a low-price basis for big crops, they should make up their minds to pay the cost of such competition in low prices, the committeemen concluded.

(more)

Returning to the average supply of 20,000,000 bales, which is on hand this year, the committeemen checked against this the average consumption of American cotton over the last 14 years. They found the highest amount ever used, at home and abroad, totaled 15,800,000 bales in 1926-27, and that even when the price was down to 5.7 cents in 1931-32, only 12,000,000 bales were used, with 13,000,000 bales used last year. Thirteen million bales has been about the average.

So if consumption is average again this year, America should have some 7,000,000 bales of cotton left over next August 1. Some carryover against short crop years or unexpected demand is good business, the committeemen felt. The average carryover has been a little over 5,000,000 bales.

These and other facts and figures which will help producers to make up their minds about prospects for next year and the acreage they think is desirable will be presented by the committeemen at the meetings scheduled below.

(AGENTS: ATTACH SHEET GIVING SCHEDULE)

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